

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF HENDERSON-UNION)	CASE NO. 8604
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1,)	
1980, TO OCTOBER 31, 1982)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 23, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Henderson-Union filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 1.99 mills per KWH to the base rates of Henderson-Union's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers") in Case No. 8587. Approval of Big Rivers' proposal requires that Henderson-Union

also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Henderson-Union in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Henderson-Union has complied in all material respects with the provisions of 807 KAR 5:056.

2. Henderson-Union's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 1.99 mills per KWH in Case No. 8587.

3. Henderson-Union should be authorized to increase the rates charged its customers by 2.18 mills per KWH in order to transfer fuel costs rolled in by Big Rivers from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8587 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Henderson-Union should be revised.

IT IS THEREFORE ORDERED that the charges collected by Henderson-Union through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Henderson-Union be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8587.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Henderson-Union on and after July 1, 1983, which is also the effective date for Big Rivers' rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Henderson-Union shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Henderson-Union for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 7th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8604 DATED JULY 7, 1983

The following rates and charges are prescribed for the customers in the area served by Henderson-Union Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the date of this Order.

Monthly Rates:

Schedule A - Residential

Customer Charge per delivery point	\$ 6.45
Energy Charge per KWH	0.050180

Schedule B - Farm, Government or Commercial (50 KVA or less)*

Customer Charge per delivery point	\$11.50
Energy Charge per KWH	0.054280

Schedule B-1 - Farm or Commercial (51 to 501 KVA)*

Customer Charge per delivery point	\$11.50
Demand Charge per KW	3.50
Energy Charge per KWH	0.048382

Schedule LP-3 - Large Power (501 to 2000) KVA*

Customer Charge per delivery point	
Demand charge per KW	\$17.20
Energy Charge per KWH:	6.25
First 100,000 KWH	0.033345
All Over 100,000 KWH	0.027751

Schedule LP-4 - Large Power (Over 2000 KVA)*

Customer Charge per delivery point	
Demand Charge per KW	\$17.20
Energy Charge per KWH:	6.25
First 100,000 KWH	0.031066
All Over 100,000 KWH	0.027100

Schedule D - Security Lamp*

Monthly Rate	
Sodium or Mercury Vapor Lamp	
8,000 Lumen	\$ 6.86
20,000 Lumen	10.15

Schedule SL - Street Lights*

Monthly Rate	
8,000 Lumen	\$ 4.37
20,000 Lumen	8.38

Industrial Consumers Served Under Special Contracts*

Peabody Coal Company

The monthly delivery point rate shall be:

- (a) A demand charge of \$6.25 per kilowatt of billing demand.
- (b) Plus an energy charge of: 23.8158 mills per KWH consumed.

The Anaconda Company

The monthly delivery point rate shall be:

- (a) A demand charge of \$6.25 per kilowatt of billing demand.
- (b) Plus an energy charge of: 20.421 mills per KWH consumed.

*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

COMPANY: _____ POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____ Month of: _____

Purchased Power -

Month of: _____

13. Fuel Adjustment Charge (Credit):

A. Billed by supplier

B. (Over) Under Recovery (L12)

C. Unrecoverable - Schedule 2

D. Recoverable Fuel Cost

(L13 A+B-C)

5. Line Loss & Unaccounted for

(L1 less L4)

14. Number of KWH Purchased

15. Supplier's FAC:

\$ per KWH (L13A + 14)

(Over) or Under Recovery

- Month of: _____

Line Loss

6. Last FAC Rate Billed Consumers

16. Last 12 Months Actual (%) -

7. Gross KWH Billed at the Rate on L6

17. Last Month Used to Compute L16

18. Line Loss for Month on L17 (%)

(L5 + L1)

8. Adjustments to Billing (KWH)

Calculation of FAC Billed Consumers

9. Net KWH Billed at the Rate on L6 (L7 + L8)

19. Sales as a Percent of Purchases

(100% less percentage on L16)

10. Fuel Charge (Credit) Used to Compute L6

20. Recovery Rate \$ per KWH

(L13D + L14)

11. FAC Revenue (Refund) Resulting from L6 (net of billing adj.)

21. FAC \$ per KWH (L20 + L19)

12. Total (Over) or Under Recovery (L10 less L11)

22. FAC \$ per KWH (L21 x 100)

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____ Title: _____

Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -	_____	_____	_____	_____

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.